

Department of Insurance



Functional Analysis & Records Disposition Authority

**Revision
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State Records Commission
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Functional and Organizational Analysis of the Department of Insurance

Sources of Information

- Department of Insurance, Records Disposition Authority Committee:
 - Deborah Fike (chair), Stenographer, Administrative Division
 - Lorenzo Alexander, Administrative Support Assistant III, Agents Licensing Division
 - Linda Carr, Administrative Support Assistant I, Consumer Services Division
 - John Davis, Associate Counsel, Legal Division
 - John Hughes, Programmer/Analyst, Information System Section, Administrative Division
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 - Tracy Stiff, Administrative Support Assistant II, Receivership Division
 - Ann Strickland, Chief Financial Analyst, Examiners Division
 - Sharon Watford, Accountant II, Accounting Division
 - Katrina Whitaker, Stenographer, Fire Marshal Division
- Code of Alabama 1975 § 8-17-210 through § 8-17-256
- Code of Alabama 1975 § 27-2-1 through § 27-2-32; § 27-3-1 through § 27-3-29; § 27-4A-1 through § 27-4A-7; § 27-8A-1 through § 27-8A-13; § 27-5A-1 through § 27-5A-13; § 27-6A-1 through § 27-6A-8; § 27-6B-1 through § 27-6B-6; § 27-30-23; § 27-41-1 through § 27-41-3
- Code of Alabama 1975 § 34-33-1 through § 34-33-12; § 35-16-1 through § 35-16-3; and § 41-20-3n; § 36-19-1 through § 36-19-44
- Department of Insurance, Alabama Insurance Report (1995 and 1996)
- Alabama Government Manual (1994)
- Government Records Division, Department of Insurance records retention schedules
- Government Records Division, State Agency Files (1985-ongoing)
- Holdings of the Department of Archives and History for the Department of Insurance

Historical Context

The first instances of governmental regulation in the insurance business in the state occurred in 1860. Legislative Act No. 136 of 1860 set forth that any agency or agents of any fire, river, or marine insurance company must obtain a certificate of authority from the controller of the state in order to conduct business in Alabama. Furthermore, this act stated that those companies must also submit annual reports to the controller of the state. In 1915, the state legislature created, through Act No. 730, the Department of Insurance as a separate entity. In 1923 the department changed its name to the Bureau of Insurance. Legislative Act No. 234 of 1951 reorganized the agency and renamed it the Department of Insurance. This newly created department absorbed the functions of the Bureau of Insurance, the Bureau of Rates of the Department of Commerce, and the Office of Fire Marshal. Legislative Act No. 407 of 1971 revised and consolidated the laws relating to the insurance business. Since 1971, the overall mandate and authority of the Department of Insurance have remained the same.

Agency Organization

The governor appoints the commissioner of insurance to serve a term concurrent with that of the governor. The commissioner appoints the assistant commissioner and other employees necessary to carry out the functions of the department. The department currently consists of eight (8) operational divisions. An organizational chart is attached.

Agency Function and Subfunctions

The mandated function of the Department of Insurance is to administer the laws of the state that regulate or otherwise relate to insurance, the insurance business, and the insurance companies, associations, exchanges, societies, and their agents and representatives doing business in the state. The department also the authority, through the fire marshal, to inspect buildings; to investigate fires or explosions; to supervise fire protection sprinkler industries; and to regulate the manufacture, sale, and use of combustibles and explosives. The Department of Insurance is one of the agencies primarily involved in carrying out the Regulatory function of Alabama government.

In the performance of its mandated function, the agency may engage in the following subfunctions:

- **Promulgating Rules and Regulations.** The commissioner of insurance is responsible, under the Code of Alabama 1975 § 27-2-17, for making all rules and regulations that are necessary to accomplish the duties and functions vested in the department by law. This subfunction encompasses activities pertaining to the establishment and promulgation of rules, policies, orders, and regulations by the commissioner and the department staff for carrying out its duties and responsibilities.
- **Licensing and Monitoring.** The Code of Alabama 1975 § 27-3-1 mandates that all insurance companies must apply for and obtain certificates of authority from the Department of Insurance before conducting business in the state. To apply for a certificate of authority, an insurance company files an application, accompanied by the applicable fee and other supporting documents, such as corporate charter, bylaws, and financial statements. The commissioner of insurance issues a certificate of authority to the company if it meets all requirements. The certificate of authority will continue in force until suspended, revoked, or terminated by the department or at the request of the company. The department reissues the certificate of authority when there is a change in the company, such as a name change, a reorganization, or a merger. Staff members of the department monitor and examine, on a regular basis, the affairs, transactions, accounts, records, and assets of each licensed insurer to determine its financial condition, ability to fulfill its obligations, and compliance with the law. The department also collects premium taxes from all licensed insurance companies.

The Code of Alabama 1975 § 27-8-3 requires that all insurance company agents or brokers to apply for and to obtain a proper license from the Department of Insurance

before acting on behalf of any licensed insurance company. Each applicant for a license must file an application with the department and then take a written examination. The commissioner of insurance issues a license after the applicant has met the educational requirement and passed the examination. The department requires all licensees to pay annual fees for renewal.

The Code of Alabama 1975 § 34-33-1 through § 34-33-12, authorizes the fire marshal to certify fire protection sprinkler contractors by issuing permits to applicants who have passed the competency test administered by the National Institute for Certification in Engineering Technology. The permit is renewable annually.

- **Approving Insurance Policies and Rates.** The commissioner of insurance is obligated to administer all laws relating to insurance rates and rating systems of all companies authorized to do business in the state of Alabama. This subfunction involves the staff's efforts to review and approve all insurance policies, rules, premium rates, and forms filed by licensed insurance companies as required by the code. The department does not regulate the premium rates of life, health, accident, and title insurance companies but has the authority to review and approve all forms used by those companies.
- **Resolving Consumer Complaints.** This subfunction encompasses the efforts of department staff in processing and resolving consumer complaints or problems with an insurance company or agent. Department staff members intervene on behalf of consumers to ensure that the insurance company complies with laws relating to the insurance business. In addition, staff members routinely provide general educational information, through publications or workshops, to consumers about insurance matters.
- **Inspecting Buildings.** The Code of Alabama 1975 § 36-19-11 authorizes the fire marshal to inspect all buildings, facilities, or premises within the fire marshal's jurisdiction for compliance with all applicable building and fire codes. The staff may also conduct the inspection at the request of building owners or in response to a written complaint.
- **Investigating Fires and Explosions.** In accordance with the Code of Alabama 1975 § 36-19-5, the fire marshal and his staff members investigate the cause, origin, and circumstance of fires or explosions which involve death or injury and are known or suspected to be criminal in nature. Staff members usually investigate fires or explosions in response to requests made by law enforcement officials.
- **Regulating Combustibles and Explosives.** Under the authority of the Code of Alabama 1975 § 8-17-211, the fire marshal issues permits to applicants for the manufacture, distribution, and sale of fireworks. Staff members are also responsible for conducting inspections of fireworks storage and sales locations to ensure they meet all required safety standards. In addition, the fire marshal issues blaster certificates to people engaged in the use of explosives and blasting contractor licenses to people engaged in blasting for commercial purposes.

- **Liquidating Assets.** The Department of Insurance is responsible, under the circuit court's supervision, for determining if the agency can rehabilitate an insolvent insurance company and, if not, for beginning liquidation proceedings. To protect the interests of the policyholders of the insolvent insurance companies, the department may facilitate the liquidation process by obtaining a solvent buyer for the business and liquidating its assets at their highest market value.
- **Administering Internal Operations.** A significant portion of the agency's activities include general administrative, financial, and personnel activities geared toward the internal functioning of the agency. These administrative duties are grouped together under the subfunction Administering Internal Operations. Administering Internal Operations includes the following groups of activities:

Managing the Agency: Activities include internal office management activities common to most government agencies such as corresponding and communicating, scheduling, meeting, documenting policy and procedures, reporting, litigating, legislating (drafting, lobbying, tracking), publicizing and providing information, managing records, and managing information systems and technology.

Managing Finances: Activities include budgeting (preparing and reviewing a budget package, submitting the budget package to the state Finance Department; documenting amendments and performance of the budget); purchasing (requisitioning and purchasing supplies and equipment, receipting and invoicing for goods, and authorizing payment for products received); accounting for the expenditure, encumbrance, disbursement, and reconciliation of funds within the agency's budget through a uniform system of accounting and reporting; authorizing travel; contracting with companies or individuals; bidding for products and services; assisting in the audit process; investing; and issuing bonds.

Managing Human Resources: Activities include recruiting and hiring eligible individuals to fill positions within the agency; providing compensation to employees; providing benefits to employees, such as leave, health insurance, unemployment compensation, worker's compensation, retirement, and death benefits; supervising employees by evaluating performance, promoting, granting leave, and monitoring the accumulation of leave; training and providing continuing education for employees; and disciplining.

Managing Properties, Facilities, and Resources: Activities include: inventorying and accounting for non-consumable property and reporting property information to the appropriate authority; constructing buildings and facilities; leasing and/or renting offices or facilities; providing security for property owned by the agency; insuring property; and assigning, inspecting and maintaining agency property, including vehicles.

Analysis of Record Keeping System and Records Appraisal of the Department of Insurance

Agency Record Keeping System

The Department of Insurance currently operates a hybrid record keeping system composed of paper-based record keeping, a computer system, and micrographics.

Paper-based Systems: Staff members create and maintain most of the agency's records in paper form. The department does not have a paper records management procedural manual for guiding staff in records storage, transfer, and disposition activities. The department has utilized the State Records Center for storage of its employee personnel files.

Computer Systems: The department's current information system utilizes the state mainframe operation and two Local Area Networks (LANs). At the agency's main office in the RSA Tower there is a LAN that provides computing capabilities for the staff and connectivity to the mainframe of the Information Service Division (ISD), Department of Finance via the campus ring. Most personal computers within the department are networked with a token ring network. The LAN has approximately eighty (80) devices connected to it. One server provides print serving, data serving, and application serving. The workstations are running Windows NT 4.0 or Windows 95. The server is currently running Windows NT 3.51, but is scheduled to be upgraded to Windows NT 4.0 server.

The Receivership Division, located in the Folsom Administrative Building, has its own LAN. The LAN does not have any outside connections. The division has eight (8) personal computers and three (3) printers that are networked with an Ethernet network. The workstations are running Windows 95 and the server is running Windows NT 4.0.

The agency's LAN currently provides access to the Local Government Financial System (LGFS), Government Human Resources System (GHRS), State Network for Procurement (SNAP), Government Accounting System (GFS), and Agent Licensing System. The Agent Licensing System, maintained on the ISD's mainframe, stores data on twelve different types of agents.

The Department of Insurance maintains the following databases on the department's server:

- 1) The Insurance Company Database – used to maintain data on active, inactive, and suspended insurance companies that conduct or have conducted business in Alabama.
- 2) The Examination Division Database – created to track all premium taxes and examination fee payments received from insurance companies.
- 3) The Consumer Database – created to maintain data on company representatives who handle consumer related matters.
- 4) The Fire Marshal Database – created to maintain data on investigations, inspections, fatalities, fire departments, and blasting contractors.

- 5) The Fireworks Database – created to issue, track, and maintain fireworks applications, inspections, and permits.
- 6) The Premium Finance Company Database – created to maintain data on premium finance companies operating in the state.
- 7) The Service Contract Database – created to maintain data on service contract providers that conduct business in the state.
- 8) The Agent Licensing Continuing Education Database – created to maintain data on continuing education providers and their courses.

Staff members perform a complete system backup daily and store backup tapes in the agency's fireproof safe.

The department is in the process of implementing a web site.

Micrographics: The department contracts with the Department of Industrial Relations to microfilm the following records: (1) Insurance Company History Files; (2) Examination Reports for Out-of-State Insurance Companies; and (3) Examination Work Papers. Staff members do not destroy any of the above records that are microfilmed.

Records Appraisal

The following is a discussion of the two major categories of records created and/or maintained by the Department of Insurance: Temporary Records and Permanent Records.

I. Temporary Records. Temporary records should be held for what is considered to be their active life and disposed of once all fiscal, legal and administrative requirements have been met. Some of the temporary records created by the department are discussed below:

- **Alabama-based Insurance Company Annual Financial Reports.** The Code of Alabama 1975 § 27-3-26 mandates all insurance companies headquartered or incorporated in Alabama file annual financial statements with the Department of Insurance. Included in each statement is a list of company officers; a statement of assets, liabilities, surplus and other funds; a summary of operation; and other supporting schedules and exhibits. The department maintains these reports for one audit review cycle. Information contained in these reports is available in the Insurance Company History Files and Examination Reports, both are recommended for permanent preservation.
- **Insurance Company Rate, Rule, and Form Files.** Every licensed insurance company must file with the Department of Insurance its rules, rates, and related forms before changes are made. The department maintains all approved rules, rates, and forms on file for reference.
- **Annual Holding Company Registration Statements.** The Code of Alabama 1975 § 27-29-4, requires every insurance company that is authorized to do business in Alabama and is a member of an insurance holding company system to file a registration statement with

the Department of Insurance. The company must update the statement annually or at the time a change occurs. The statement provides a record of relationship and all material transactions between the registered insurer and its affiliated holding company. The department monitors the transactions to ensure that the surplus account of an insurer is not depleted in an unreasonable transaction with an affiliate, thus placing Alabama policyholders at risk. These statements have reference value for up to two (2) years.

- **Summons and Complaints.** Each insurance company applying for a certificate of authority must appoint the commissioner of insurance as its attorney, upon whom may be served all lawful process in any action or proceeding against it in this state (Code of Alabama 1975 § 27-3-24). This requirement keeps the department staff informed of any legal actions taken against an insurance company. Upon receipt of the summons and complaints, the department forwards one copy to the insurer, one copy to the complainant with an acknowledgment, and retains one copy on file for reference for up to two (2) years.
- **Substantiated Complaint Investigation Files.** In response to consumer complaints against insurance companies/agents, the department staff may, depending on the situation, conduct necessary investigations to resolve the complaints. This series contains information on the complaints, investigations, and other related matters. Code of Alabama 1975 § 6-2-34 mandates that actions founded upon any contract or writing not under seal must be commenced within six (6) years. The department staff members keep these files for six (6) years to meet the statute of limitations as listed in the code.
- **Certificates of Authority.** These records are copies of certificates of authority issued by the department to all qualified insurance companies. Once issued, the certificate of authority will continue in force until it is suspended, revoked, or terminated either by the Department of Insurance or at the request of the company. The department must reissue a certificate of authority when there is a change in the company, such as a name change, a reorganization, or a merger. The department keeps obsolete certificates for one audit review cycle.
- **Insurance Agent Licensure Files.** The department is responsible for issuing various types of licenses to qualified insurance agents, brokers, corporation service representatives, partnerships, managing general agents, reinsurance intermediaries, dental service representatives, legal service representatives, adjusters, and motor club representatives. Licensure files may consist of applications, examination results, continuing education evidence, renewal data, duplicate licenses, correspondence, and routine address/name change information. The Code of Alabama 1975 § 27-2-14(d)(2), provides for destruction of licensure records two (2) years after the expiration of a license.
- **Solicitation Permits.** The Code of Alabama 1975 § 27-27-4 requires each insurance company to apply for a solicitation permit from the Department of Insurance prior to the sale of company stocks. The retention recommendation is based on the fact that the

solicitation permit expires two (2) years from the date of issue (Code of Alabama 1975 § 27-27-7[9]).

II. Permanent Records. The Government Records Division recommends the following records as permanent.

Promulgating Rules and Regulations

- **Meeting Minutes of the Commissioner's Staff.** These records document proceedings of meetings of the commissioner of insurance and his/her top staff members. They are the core documentation of the department's policy making functions.
- **Continuing Education Advisory Committee Meeting Minutes.** The Code of Alabama 1975 § 27-8A-4, mandates the commissioner of insurance to appoint an advisory committee to advise him or her on continuing education and other insurance matters. The committee consists of the following members: one representative of a statewide association of life and health insurance agents, one representative of a statewide association of property and casualty insurance agents, one representative of an association of Alabama based life insurance companies, one representative of a property and casualty insurance company, one representative of a statewide association representing health insurance agents, one member of the Alabama Senate, and one member of the Alabama House of Representatives. Members of this committee are appointed for terms concurrent with the term of office of the governor. This series contains the meeting minutes of the committee.
- **Insurance Laws and Regulations.** The Code of Alabama 1975 § 27-2-16, requires the department to publish, among other things, the insurance laws of the state and the rules/regulations of the commissioner of insurance. The department contracts with the National Insurance Law Service Publishing Company to issue the state's Insurance Laws and Regulations in easy-to-use loose-leaf volumes.

Licensing and Monitoring

- **Alabama-based Insurance Company History Files.** All insurance companies, mutual aid societies, and benevolent associations that are based in Alabama must file with the Department of Insurance basic information about their companies. This series consists of company charters, articles of incorporation, bylaws, constitutions, changes/amendments, certificates attesting to the authenticity of company charters, and related documentation of company organizational and financial structure. These records have historical value in that they offer a complete organizational history of all authorized insurers based in Alabama.
- **Examination Reports for Alabama-based Insurance Companies.** The department staff members review and examine on a regular basis all licensed insurance companies to determine a company's financial condition, ability to fulfill its obligations, and compliance with the law. The examinations serve as a check on the accuracy of the

insurance company's annual financial reports. These examination reports have historical value in that they document a major function of the department and provide information on the operations of Alabama-based insurers.

Approving Insurance Policies and Rates

Permanent records documenting this subfunction are found in the Annual Reports as described in the Reporting heading within the Administering Office Operations subfunction.

Resolving Consumer Complaints

- **Annual Consumer Service Performance Reports.** The report lists numbers of complaints against and inquiries about a particular insurance company during the previous year. It also contains information on the total complaints/inquiries handled by the departmental staff members, numbers of investigations conducted by the department, and amounts of money recovered.

Inspecting Buildings

Permanent records documenting this subfunction are found in the Annual Reports as described in the Reporting heading within the Administering Office Operations subfunction.

Investigating Fires and Explosions

- **Fire and Explosion Investigation Files.** The Code of Alabama 1975 § 36-19-25 mandates the staff of the fire marshal to keep a record of all fires occurring in this state and all the facts concerning the fires. These records document the investigations of the cause, origin, and circumstances of fires or explosions that involve death or injury and are known or suspected to be criminal in nature.

Regulating Combustibles and Explosives

Permanent records documenting this subfunction are found in the Annual Reports as described in the Reporting heading within the Administering Office Operations subfunction.

Liquidating Assets

- **Records Documenting the Liquidation Process.** Records that documenting the efforts of the department staff in assisting the liquidation process. Records may include, but not limited to, court orders and pertinent records created by staff members of the department.

Administering Internal Operations

- **Commissioner's Files.** These files document the role and activity of the commissioner in formulating, administering, and enforcing Alabama insurance laws. This series may

include various types of records such as correspondence, memoranda, and reports concerning departmental policies, program development, and related matters.

- **Informational and Promotional Publications.** The department provides guidance to consumers through the preparation and distribution of its publications, such as brochures, pamphlets, and other materials issued in print. The subjects of these publications may include how to shop for various insurance policies and how to handle insurance problems or complaints.
- **Annual Reports (Alabama Insurance Reports).** The Code of Alabama 1975 § 27-2-9 requires the department to publish an annual report documenting its official activities during the preceding year. This annual report contains the following information: (a) a statement of the receipts and disbursements of the department for the preceding year; (b) a chart of the financial condition and business transactions of all insurance companies (c) names of insurance companies whose businesses were closed, the causes of closure, and amounts of assets and liabilities; (d) names of insurers against whom delinquency or similar proceedings were instituted and concise statements of the circumstances and results of each proceeding; (e) the insurance commissioner's recommendations for laws affecting insurance; and (f) a separate narrative annual report of the fire marshal.
- **Annual Insurance Agent Directories.** The Code of Alabama 1975 § 27-2-16(3) requires the department to publish an annual directory of all resident insurance agents and brokers authorized or licensed by the state. Information includes names and addresses of agents/brokers, and types of license.

Permanent Records List

Department of Insurance

Promulgating Rules and Regulations

1. Meeting Minutes of the Commissioner's Staff
2. Continuing Education Advisory Committee Meeting Minutes
3. Insurance Laws and Regulations

Licensing and Monitoring

1. Alabama-based Insurance Company History Files*
2. Examination Reports for Alabama-based Insurance Companies*

Resolving Consumer Complaints

1. Annual Consumer Service Performance Reports

Investigating Fires and Explosions

1. Fire and Explosion Investigation Files

Liquidating Assets

1. Records Documenting the Liquidation Process*

Administering Internal Operations

1. Commissioner's Files
2. Informational and Promotional Publications
3. Annual Reports
4. Annual Insurance Agent Directories

*indicates records that ADAH anticipates will remain in the care and custody of the creating agency.

ADAH staff members are available to work with agency staff in determining the best location and storage conditions for the long-term care and maintenance of permanent records.

Department of Insurance Records Disposition Authority

This Records Disposition Authority (RDA) is issued by the State Records Commission under the authority granted by the Code of Alabama 1975 § 41-13-5 and § 41-13-20 through 21. It was compiled by the Government Records Division, Alabama Department of Archives and History (ADAH), which serves as the commission's staff, in cooperation with the representatives of the Department of Insurance. The RDA lists records created and maintained by the Department of Insurance in carrying out its mandated functions and activities. It establishes retention periods and disposition instructions for those records and provides the legal authority for the Department of Insurance to implement records destruction.

Alabama law requires public officials to create and maintain records that document the business of their offices. These records must be protected from "mutilation, loss, or destruction," so that they may be transferred to an official's successor in office and made available to members of the public. Under the Code of Alabama 1975 § 36-12-40, "every citizen has a right to inspect and take a copy of any public writing in this state, except as otherwise provided by statute." Records must also be kept in accordance with auditing standards approved by the Examiners of Public Accounts (Code of Alabama 1975 § 36-12-2, § 36-12-4, and § 41-5-23). For assistance in implementing this RDA, or for advice on records disposition or other records management concerns, contact the ADAH Government Records Division at (334) 242-4452.

Explanation of Records Requirements

- This RDA supersedes any previous records disposition schedules governing the retention of records in Department of Insurance. Copies of superseded schedules are no longer valid and should be discarded.
- The RDA establishes retention and disposition instructions for records listed below, regardless of the medium on which those records may be kept.
- Electronic mail is a communications tool that may record permanent or temporary information. As for records in any other format, the retention periods for e-mail records are governed by the requirements of the subfunctions to which the records belong.
- Some temporary records listed under the Administering Internal Operations subfunction of this RDA represent duplicate copies of records listed for long-term or permanent retention in the RDAs of other agencies.
- Certain records and records-related materials need not be retained as records under the disposition requirements in this RDA. Such materials include: (1) duplicate record copies that do not require official action, so long as the creating office maintains the original record for the period required; (2) catalogs, trade journals, and other publications received that require no action and do not document government activities; (3) stocks of blank stationery, blank forms, or other surplus materials that are not subject to audit and have become obsolete; (4) transitory records, which are temporary records created for short-term, internal purposes that may include, but are not limited to: telephone call-back

messages; drafts of ordinary documents not needed for their evidential value; copies of material sent for information purposes but not needed by the receiving office for future business; and internal communications about social activities; and (5) honorary materials, plaques, awards, presentations, certificates, and gifts received or maintained by the agency staff.. They may be disposed of without documentation of destruction.

Records Disposition Requirements

This section of the RDA is arranged by subfunctions of the Department of Insurance and lists the groups of records created and/or maintained by the agency as a result of activities and transactions performed in carrying out these subfunctions. The agency may submit requests to revise specific records disposition requirements to the State Records Commission for consideration at its regular quarterly meetings.

Promulgating Rules and Regulations

MEETING MINUTES OF THE COMMISSIONER'S STAFF

Disposition: PERMANENT RECORD.

Recordings of the Commissioner's Staff Meetings

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the tapes were created.

CONTINUING EDUCATION ADVISORY COMMITTEE MEETING MINUTES

Disposition: PERMANENT RECORD.

INSURANCE LAWS AND REGULATIONS

Disposition: PERMANENT RECORD.

Administrative Procedures Rule Filings

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the records were created.

REGISTER OF ADMINISTRATIVE PROCEDURES RULE FILINGS

Disposition: PERMANENT RECORD. Retain in office (Code of Alabama 1975 § 41-22-6).

Licensing and Monitoring

ALABAMA-BASED INSURANCE COMPANY HISTORY FILES

Disposition: PERMANENT RECORD.

Out-of-State Insurance Company Quarterly Financial Statements

Disposition: Temporary Record. Retain *jurat* page until the completion of one audit and the release of the audit report. The remaining pages may be disposed of upon receipt of the next quarterly financial statement.

Alabama-Domiciled Insurance Company Quarterly Financial Statements

Disposition: Temporary Record. Retain until the completion of one audit and the release of the audit report.

Alabama-based Insurance Company Annual Financial Reports

Disposition: Temporary Record. Retain 10 years.

Out-of-State Insurance Company Annual Financial Reports

Disposition: Temporary Record. Retain until the completion of one audit and the release of the audit report.

Certificates of Authority

Disposition: Temporary Record. Retain superseded certificates until the completion of one audit and the release of the audit report.

Insurance Company Database

Disposition: Temporary Record. Retain for useful life.

EXAMINATION REPORTS FOR ALABAMA-BASED INSURANCE COMPANIES

Disposition: PERMANENT RECORD.

Examination Reports for Out-of-State Insurance Companies

Disposition: Temporary Record. Retain until the completion of one audit and the release of the audit report.

Examination Work Papers

Disposition: Temporary Record. Retain until the completion of the next examination.

Examination Division Database

Disposition: Temporary Record. Retain for useful life.

Quarterly and Annual Insurance Premium Tax Returns

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the records were created.

Premium Finance Company Database

Disposition: Temporary Record. Retain for useful life.

Service Contract Database

Disposition: Temporary Record. Retain for useful life.

Annual Holding Company Registration Statements

Disposition: Temporary Record. Retain 2 years.

Summons and Complaints

Disposition: Temporary Record. Retain 2 years.

Insurance Agent Licensure Files

Disposition: Temporary Record. Retain 2 years after licensees become inactive.

Continuing Education Course Provider Application Files

Disposition: Temporary Record. Retain 2 years after the provider withdraws from offering courses in the state.

Continuing Education Course Files

Disposition: Temporary Record. Retain approved course files 2 years after course is withdrawn or superseded. Retain disapproved course files 1 year after submission.

Agent Licensing Continuing Education Database

Disposition: Temporary Record. Retain for useful life.

Solicitation Permits

Disposition: Temporary Record. Retain until the completion of one audit and the release of the audit report.

Fire Protection Sprinkler System Contractor Permit Files

Disposition: Temporary Record. Retain 5 years after the expiration of the permit.

Approving Insurance Policies and Rates**Insurance Company Rate, Rule, and Form Files**

Disposition: Temporary Record. Retain 4 years.

Resolving Consumer Complaints**Unsubstantiated Consumer Complaint Files**

Disposition: Temporary Record. Retain until the completion of the next sunset review.

Substantiated Complaint Investigation Files

Disposition: Temporary Record. Retain 6 years after the final settlement.

ANNUAL CONSUMER SERVICE PERFORMANCE REPORTS

Disposition: PERMANENT RECORD.

Consumer Database

Disposition: Temporary Record. Retain for useful life.

Inspecting Buildings**Inspection of Building Files**

Disposition: Temporary Record. Retain 5 years.

Biannual Jail Inspection Files

Disposition: Temporary Record. Retain until no longer useful.

Investigating Fires and Explosions**FIRE AND EXPLOSION INVESTIGATION FILES**

Disposition: PERMANENT RECORD.

Fire Marshal Database

Disposition: Temporary Record. Retain for useful life.

Regulating Combustibles and Explosives**Blaster Certification/Blasting Contractor Licensure Files**

Disposition: Temporary Record. Retain 5 years after the expiration of certification/license.

Fireworks Permit and Inspection Files

Disposition: Temporary Record. Retain 3 years after the expiration of permit.

Fireworks Database

Disposition: Temporary Record. Retain for useful life.

Liquidating Assets**Records created by insolvent insurance companies but used by the departmental staff members to liquidate the assets of those companies**

Disposition: Temporary Record. Retain for useful life, or pursuant to court order.

RECORDS DOCUMENTING THE LIQUIDATION PROCESS

Disposition: PERMANENT RECORD.

Administering Internal Operations: Managing the Agency**COMMISSIONER'S FILES**

Disposition: PERMANENT RECORD.

INFORMATIONAL AND PROMOTIONAL PUBLICATIONS

Disposition: PERMANENT RECORD.

General Correspondence/Memoranda

Disposition: Temporary Record. Retain 3 years.

Reference Files

Disposition: Temporary Record. Retain for useful life.

Telephone Logs

Disposition: Temporary Record. Retain 3 years.

Calendars

Disposition: Temporary Record. Retain 1 year.

Mail or Parcel Service Pickup/Delivery Receipts

Disposition: Temporary Record. Retain 1 year.

Press Service Files

Disposition: Temporary Record. Retain for useful life.

Printing Service Request Files

Disposition: Temporary Record. Retain until receipt of printed material.

Printing Negatives and Plates

Disposition: Temporary Record. Retain until obsolete.

Legal Case Files

Disposition: Temporary Record. Retain 10 years after the final disposition of the case.

Administrative Hearing Case Files

Disposition: Temporary Record. Retain 10 years after the final disposition of the case.

Legislation Tracking Files

Disposition: Temporary Record. Retain 5 years.

Records documenting the implementation of the department's approved RDA, including copies of transmittals for records transferred to the State Records Center and records transferred to the Department of Archives and History, and the department's annual reports to the State Records Commission

Disposition: Temporary Record. Retain until completion of one audit and the release of the audit report after the creation of the records.

Copies of RDA

Disposition: Temporary Record. Retain until completion of one audit and the release of the audit report after the RDA is superseded.

ANNUAL REPORTS

Disposition: PERMANENT RECORD.

ANNUAL INSURANCE AGENT DIRECTORIES

Disposition: PERMANENT RECORD.

System Documentation (hardware/software manuals and diskettes, warranties, records of access/authorities, file naming conventions, Y2K records)

Disposition: Temporary Record. Retain documentation of former system 3 years after the end of the fiscal year in which the former hardware and software no longer exists anywhere in the agency and all permanent records have been migrated to a new system.

Printouts of Acknowledgment from the Secretary of State Relating to Notices of Meetings Posted by State Agencies

Disposition: Temporary Record. Retain 3 years.

Administering Internal Operations: Managing Finances

Records documenting the preparation of a budget package and reporting of the status of funds, requesting amendments of allotments, and reporting program performance

Disposition: Temporary Record. Retain until completion of one audit and release of the audit report.

Records documenting the requisitioning and purchasing of supplies and equipment, receipting and invoicing for goods, and authorizing payment for products received.

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the records were created.

Records of original entry - journals, registers, and ledgers; and records of funds deposited outside the State Treasury

Disposition: Temporary Record. Retain until completion of one audit and the release of the audit report.

Agency Audit Reports

Disposition: Temporary Record. Retain until completion of two successive audits and the release of the audit reports.

Records documenting requests for authorization from supervisors to travel on official business and other related materials, such as travel reimbursement forms

Disposition: Temporary Record. Retain until completion of one audit and the release of the audit report.

Contractual records established for the purchase of services or personal property

Disposition: Temporary Record. Retain 6 years following the expiration of the contract.

Records documenting the bid process, including requests for proposals and unsuccessful responses

- a. Original Bid Records Maintained in the Purchasing Office of the Agency for Contracts over \$7500

Disposition: Temporary Record. Retain 7 years after the end of the fiscal year in which the bids were opened.

- b. Duplicate copies of bid (where originals are maintained by the Finance Department - Division of Purchasing)
Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the bids were opened.

Administering Internal Operations: Managing Human Resources

Job recruitment materials

Disposition: Temporary Record. Retain until completion of one audit and the release of the audit report.

Records documenting payroll (e.g. pre-payroll reports, payroll check registers)

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the records were created.

Records documenting employee hours worked, leave earned, and leave taken

Disposition: Temporary Record. Retain until completion of one audit and the release of the audit report.

Records documenting sick leave donations

Disposition: Temporary Record. Retain 3 years.

Records documenting annual cumulative leave statements

Disposition: Temporary Record. Place in employee's personnel file for retention.

Records of final leave status (generally recorded on the form 11)

Disposition: Temporary Record. Retain record of individual employees' cumulative leave 6 years after separation of employee from the agency.

Records documenting payroll deduction authorizations

Disposition: Temporary Record. Retain 6 years after separation of the employee from the agency.

Records documenting payroll deductions for tax purposes

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the records were created.

Employee Flexible Benefits Plan Files

- a. General Information
Disposition: Temporary Record. Retain until superseded.
- b. Other (applications, correspondence)
Disposition: Temporary Record. Retain 6 years.

Unemployment Compensation Files

Disposition: Temporary Record. Retain 5 years after the end of the fiscal year in which the transaction occurred.

State Employee Injury Compensation Trust Fund Files

Disposition: Temporary Record. Retain 6 years after separation of the employee from the agency.

Equal Employee Opportunity Commission Case Files

Disposition: Temporary Record. Retain 3 years.

Position Classification Files

Disposition: Temporary Record. Retain 4 years after position is reclassified.

Records documenting an employee's work history – generally maintained as a case file

Disposition: Temporary Record. Retain 6 years after separation of employee from the agency.

Records documenting employees' daily and weekly work schedules

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the records were created.

Administering Internal Operations: Managing Properties, Facilities, and Resources**RECORDS DOCUMENTING THE CONDUCT OF THE SEMIANNUAL PROPERTY INVENTORIES**

Disposition: PERMANENT RECORD. Retain in office (Code of Alabama 1975 § 36-16-8[1]).

Agency Copies of Transfer of State Property Forms (SD-1)

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the records were created.

Inventory Cards

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the items were removed from inventory.

Property Inventory Affidavits

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the records were created.

Receipts of Responsibility for Property

Disposition: Temporary Record. Retain until return of item to property manager.

Leasing/Renting property files

Disposition: Temporary Record. Retain 6 years after expiration of the lease.

Housekeeping and maintenance records

Disposition: Temporary Record. Retain 3 years.

Insurance policies

Disposition: Temporary Record. Retain 6 years after termination of policy.

Records documenting the ownership, use, maintenance, and disposition of vehicles owned by the department

Disposition: Temporary Record. Retain 3 years after vehicle is sold or declared surplus.

Approval of Records Disposition Authority (RDA)

By signing this agreement, the Department of Insurance acknowledges its responsibilities for the proper management of its records and agrees to abide by the implementation guidelines listed below.

- The Department of Insurance should designate a managerial position as the agency records officer. This position would be responsible for ensuring the development of quality record keeping systems that meet the business and legal needs of the department, for coordinating the transfer and destruction of records, and for ensuring that permanent records held on alternative storage media (such as microfilms and digital imaging systems) are maintained in compliance with national and state standards, for submitting an annual report on records management activities to the State Records Commission in July of each year, and for ensuring the regular implementation of the commission's approved RDA.
- Permanent records, while in the custody of the agency, should be maintained in a secure environment, in a usable order, and under environmental conditions that will ensure their continued preservation.
- Destruction of temporary records, as authorized in this RDA, should occur agency-wide on a regular basis – for example, after the successful completion of an audit, at the end of an administration, or at the end of a fiscal year. In certain circumstances, the department may determine that a valid need exists to keep a record beyond its prescribed retention period. Despite the RDA's provisions, no record should be destroyed that is necessary to comply with requirements of the state Sunset Act, audit requirements, or any legal notice or subpoena.
- The department should maintain full documentation of any computerized record-keeping system it employs. It should develop procedures for: (1) backing up all permanent records held in electronic format; (2) storing a back-up copy off-site; and (3) migrating all permanent records when the system is upgraded or replaced. If the department choose to maintain permanent records solely in electronic format, it is committed to funding any system upgrades and migration strategies necessary to ensure the record's permanent preservation and accessibility.
- The Department of Insurance agrees to allow the State Records Commission, its staff, and the Examiners of Public Accounts to examine into the condition of the permanent records maintained in the custody of the department and to inspect documentation on the destruction of public records.

The State Records Commission adopted this revision to the Records Disposition Authority on July 27, 2000.

Edwin C. Bridges, Chairman
State Records Commission

Date

Receipt acknowledged:

D. David Parsons, Acting Commissioner
Department of Insurance

Date